

SENATE BILL REPORT

SB 5118

As Reported by Senate Committee On:
Health Care, February 2, 2017

Title: An act relating to increasing the personal needs allowance for persons receiving state-financed care.

Brief Description: Increasing the personal needs allowance for persons receiving state-financed care.

Sponsors: Senators Rolfes, Bailey, Darneille, Billig, Keiser, Kuderer and Chase.

Brief History:

Committee Activity: Health Care: 1/26/17, 2/02/17 [DP-WM].

Brief Summary of Bill

- Requires the Personal Needs Allowance to be increased annually by the percentage cost of living adjustment for Old-Age, Survivors, and Disability Social Security benefits.

SENATE COMMITTEE ON HEALTH CARE

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Rivers, Chair; Becker, Vice Chair; Cleveland, Ranking Minority Member; Kuderer, Assistant Ranking Minority Member; Bailey, Conway, Keiser, Miloscia, Mullet, O'Ban and Walsh.

Staff: Kathleen Buchli (786-7488)

Background: Federal law requires Medicaid recipients to contribute to the cost of long-term care. The contribution amount is determined by deducting certain amounts from a recipient's monthly income. One of the permitted deductions is the personal needs allowance (PNA), an amount of the Medicaid recipient's own income that can be kept and spent on personal items. After deducting the PNA and other allowable deductions, all remaining income goes toward the cost of care.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The PNA in Washington is \$57.28 per month for persons in nursing facilities or institutions, and \$62.79 per month for persons in residential care, such as in an adult family home or assisted living facility. The PNA does not increase to reflect cost of living, but requires an act of the Legislature to be increased.

Old-Age, Survivors, and Disability Insurance benefits are indexed for inflation to protect beneficiaries from the loss of purchasing power implied by inflation. Inflation increases for this program are published by the Social Security Administration.

Summary of Bill: Subject to appropriations, the PNA for Medicaid must be increased annually by the percentage cost-of-living adjustment for Old-Age, Survivors, and Disability Social Security benefits as published by the Social Security Administration. The PNA must in no case exceed the maximum permissible amount under the Social Security Act.

Appropriation: None.

Fiscal Note: Requested on January 18, 2017.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2017.

Staff Summary of Public Testimony: PRO: This bill came from the request of a person who is acting as the caregiver for her disabled brother. We should not be balancing our budget on the backs of disabled people; we should be helping people and allowing them to have a higher PNA. People are required to contribute towards the cost of their care. The PNA is used to pay for personal items such as haircare, gifts for family members, and other items necessary for their personal dignity. This has been neglected too long; beneficiaries should get a small percentage of the Social Security increase. This has been frozen since 2008. The family cannot contribute to the disabled person in order to avoid increasing their income and disqualifying them from service. We would agree to removing the appropriation language.

Persons Testifying: PRO: Senator Christine Rolfes, Prime Sponsor; Gerald Reilly; Cathy Maccaul, AARP.

Persons Signed In To Testify But Not Testifying: No one.